

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Montague Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: August 31, 2020

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.25% to 7.0% and a revision to the mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

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Montague Retirement System
January 1, 2020 Actuarial Valuation

Total cost increases 5.2% per year until FY32 with a final amortization payment in FY33

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>Change in</u> <u>Cost</u>
2021	959,457	30,000	1,074,546	2,064,003	13,033,155	
2022	1,002,632	30,000	1,138,699	2,171,331	12,802,155	5.2%
2023	1,047,751	30,000	1,206,490	2,284,240	12,486,727	5.2%
2024	1,094,900	30,000	1,278,121	2,403,021	12,077,089	5.2%
2025	1,144,170	30,000	1,353,808	2,527,978	11,562,560	5.2%
2026	1,195,658	30,000	1,433,775	2,659,433	10,931,483	5.2%
2027	1,249,462	30,000	1,518,261	2,797,723	10,171,146	5.2%
2028	1,305,688	30,000	1,607,517	2,943,205	9,267,691	5.2%
2029	1,364,444	30,000	1,701,807	3,096,252	8,206,027	5.2%
2030	1,425,844	30,000	1,801,413	3,257,257	6,969,720	5.2%
2031	1,490,007	30,000	1,906,627	3,426,634	5,540,892	5.2%
2032	1,557,057	30,000	2,017,762	3,604,819	3,900,097	5.2%
2033	1,627,125	30,000	2,037,619	3,694,744	2,026,199	2.5%
2034	1,700,346	30,000		1,730,346	0	-53.2%

Appropriation payments assumed to be made on August 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$300,000

FY21 amount maintained at level of current funding schedule